QUARTERLY REPORT

TRADING NAME OF LICENSEE: GNOC, Corp. (Atlantic City Hilton)

For The Quarter Ended September 30, 2003

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

TRADING NAME OF LICENSEE: GNOC, Corp. (Atlantic City Hilton)

Amended 12/10/03

BALANCE SHEETS

AS OF SEPTEMBER 30, 2003 AND 2002
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	ASSETS		
	Current Assets:		
1	Cash and cash equivalents	$ 18,262	$ 19,777
2	Short-term investments	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 2003, $ 7,426 ; 2002, $ 6,744) NOTE 2	7,234	9,467
4	Inventories	1,263	1,369
5	Prepaid expenses and other current assets	1,840	1,852
6	Total current assets	28,599	32,465
7	Investments, Advances, and Receivables NOTE 3	13,274	11,586
8	Property And Equipment - Gross NOTE 4	551,074	542,291
9	Less: Accumulated Depreciation/Amortization NOTES 1 & 4	(263,164)	(246,789)
10	Property And Equipment - Net	287,910	295,502
11	Other Assets NOTES 1 & 5	77,001	77,001
12	Total Assets	$ 406,784	$ 416,554
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts payable	$ 1,359	$ 1,903
14	Notes payable	-	-
	Current portion of long-term debt		
15	Due to affiliates	-	-
16	Other	-	-
17	Income taxes payable and accrued	-	-
18	Other accrued expenses NOTE 6	21,413	20,598
19	Other current liabilities NOTE 7	12,761	10,283
20	Total current liabilities	35,533	32,784
	Long-Term Debt:		
21	Due to affiliates NOTE 8	200,000	200,000
22	Other	-	-
23	Deferred Credits	-	-
24	Other Liabilities NOTE 9	100,292	123,881
25	Commitments And Contingencies NOTE 1	-	-
26	Total Liabilities	335,825	356,665
27	Stockholders', Partners', or Proprietor's Equity NOTE 10	70,959	59,889
28	Total Liabilities And Equity	$ 406,784	$ 416,554

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, Corp. (Atlantic City Hilton)

STATEMENTS OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Revenues:		
1	Casino	$ 234,806	$ 234,200
2	Rooms	18,833	19,798
3	Food and beverage	31,106	32,074
4	Other	8,774	8,108
5	Total Revenues	293,519	294,180
6	Less: Promotional allowances	65,671	69,228
7	Net Revenues	227,848	224,952
	Costs And Expenses:		
8	Cost of goods and services	144,389	138,391
9	Selling, general, and administrative	29,345	31,028
10	Provision for doubtful accounts	784	1,403
11	Total Costs and Expenses	174,518	170,822
12	Gross Operating Profit	53,330	54,130
13	Depreciation and Amortization	13,632	15,964
	Charges from affiliates other than interest:		
14	Management fees. NOTE 11	7,696	7,731
15	Other	-	-
16	Income (Loss) From Operations	32,002	30,435
	Other Income (Expenses):		
17	Interest (expense)-affiliates. NOTE 8	(13,500)	(13,391)
18	Interest (expense)-external	-	-
19	Investment alternative tax and related income (expense) - net	(1,605)	(1,683)
20	Nonoperating income (expense) - net. NOTE 12	236	302
21	Total Other Income (Expenses)	(14,869)	(14,772)
22	Income (Loss) Before Income Taxes And Extraordinary Items	17,133	15,663
23	Provision (credit) for income taxes. NOTE 1	7,290	8,120
24	Income (Loss) Before Extraordinary Items	9,843	7,543
25	Extraordinary items (net of income taxes - 20__, $)	-	-
26	Net Income (Loss)	$ 9,843	$ 7,543

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, Corp. (Atlantic City Hilton)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Revenues:		
1	Casino	$ 82,080	$ 83,893
2	Rooms	7,204	7,626
3	Food and beverage	11,177	11,794
4	Other	3,418	3,128
5	Total Revenues	103,879	106,441
6	Less: Promotional allowances	23,463	25,656
7	Net Revenues	80,416	80,785
	Costs And Expenses:		
8	Cost of goods and services	51,305	48,288
9	Selling, general, and administrative	8,474	9,617
10	Provision for doubtful accounts	240	549
11	Total Costs and Expenses	60,019	58,454
12	Gross Operating Profit	20,397	22,331
13	Depreciation and Amortization	4,217	5,295
	Charges from affiliates other than interest:		
14	Management fees. NOTE 11	2,704	2,780
15	Other	-	-
16	Income (Loss) From Operations	13,476	14,256
	Other Income (Expenses):		
17	Interest (expense)-affiliates. NOTE 8	(4,500)	(4,457)
18	Interest (expense)-external	-	-
19	Investment alternative tax and related income (expense) - net	(551)	(659)
20	Nonoperating income (expense) - net. NOTE 12	67	104
21	Total Other Income (Expenses)	(4,984)	(5,012)
22	Income (Loss) Before Income Taxes And Extraordinary Items	8,492	9,244
23	Provision (credit) for income taxes. NOTE 1	3,760	5,495
24	Income (Loss) Before Extraordinary Items	4,732	3,749
25	Extraordinary items (net of income taxes - 20__, $)	-	-
26	Net Income (Loss)	$ 4,732	$ 3,749

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, Corp. (Atlantic City Hilton)

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2002 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2003

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Shareholder's Equity (Deficit) (j)
1	**Balance, December 31, 2001**	3,002,510	$ 30		$	$ 123,421	$	$ (71,105)	$ 52,346
2	Net Income (Loss) - 2002							8,770	8,770
3	Contribution to Paid-in Capital								
4	Dividends								
5	Prior Period Adjustments								
6									
7									
8									
9									
10	**Balance, December 31, 2002**	3,002,510	$ 30		$	$ 123,421	$	$ (62,335)	$ 61,116
11	Net Income (Loss) - 2003							9,843	9,843
12	Contribution to Paid-in Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	**Balance, September 30, 2003**	3,002,510	$ 30		$	$ 123,421	$	$ (52,492)	$ 70,959

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, Corp. (Atlantic City Hilton)

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
1	Net Cash Provided (Used) By Operating Activities	$ 27,503	$ 28,468
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	-	-
3	Proceeds from the sale of short-term investment securities	-	-
4	Cash outflows for property and equipment	(3,877)	(6,462)
5	Proceeds from disposition of property and equipment	10	91
6	Purchase of casino reinvestment obligations	(2,667)	(2,691)
7	Purchase of other investments and loans/advances made	-	-
8	Proceeds from disposal of investment and collection of advances and long-term receivables	4	-
9	Cash outflows to acquire business entities	-	-
10	Increase in contsruction - related liabilities	-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities	(6,530)	(9,062)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	-	-
14	Payments to settle short-term debt	-	-
15	Cash proceeds from issuance of long-term debt	-	-
16	Costs of issuing debt	-	-
17	Payments to settle long-term debt	-	-
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock	-	-
20	Payments of dividends or capital withdrawals	-	-
21	Change in payable to affiliate	(22,220)	(21,862)
22	Debt retirement costs	-	-
23	Net Cash Provided (Used) By Financing Activities	(22,220)	(21,862)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(1,247)	(2,456)
25	Cash And Cash Equivalents At Beginning Of Year	19,509	22,233
26	Cash And Cash Equivalents At End Of Year	$ 18,262	$ 19,777

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Year For:		
27	Interest (net of amount capitalized)	$ 13,500	$ 13,391
28	Income taxes paid (refunded) - net	$ 7,290	$ 8,120

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, Corp. (Atlantic City Hilton)

STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 AND 2002
(UNAUDITED)
($ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	$ 9,843	$ 7,543
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	13,632	15,964
31	Amortization of other assets	-	-
32	Amortization of debt discount or premium	-	-
33		-	-
34	Deferred income taxes - noncurrent	-	-
35	(Gain) loss on disposition of property and equipment	(10)	(60)
36	(Gain) loss on casino reinvestment obligations	1,605	1,683
37	(Gain) loss from other investment activities	-	-
38	Net (increase) decrease in receivables and patrons' checks	1,566	1,043
39	Net (increase) decrease in inventories	177	447
40	Net (increase) decrease in other current assets	(583)	(458)
41	Net (increase) decrease in other assets	-	-
42	Net increase (decrease) in accounts payables	(3,582)	(1,279)
43	Net increase (decrease) in other current liabilities excluding debt	5,165	3,787
44	Net increase (decrease) in other noncurrent liabilities excluding debt	(310)	(202)
45	Loss on extinguishment of debt, net of tax benefit of $	-	-
46	Amortization of CRDA assets	-	-
47	Net Cash Provided (Used) By Operating Activities	$ 27,503	$ 28,468

SUPPLEMENTAL SCHEDULE OF INVESTING AND FINANCING ACTIVITIES

LINE (a)	DESCRIPTION (b)	2003 (c)	2002 (d)
	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	$ 3,877	$ 6,462
49	Less: Capital lease obligations incurred	-	-
50	Cash Outflows For Property And Equipment	$ 3,877	$ 6,462
	Acquisition Of Business Entities:		
51	Property and equipment acquired	$ -	$ -
52	Goodwill acquired	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment	-	-
54	Long-term debt assumed	-	-
55		-	-
56	Cash Outflows To Acquire Business Entities	$ -	$ -
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	$ -	$ -
58	Less: Issuances to settle long-term debt	-	-
59	Consideration in acquisition of business entities	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions	$ -	$ -

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: GNOC, CORP. (Atlantic City Hilton)

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

($ IN THOUSANDS)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	278,454	$ 11,803		$
2	Food	1,160,067	15,590		
3	Beverage	2,312,009	6,011		
4	Travel			44,603	1,448
5	Bus Program Cash	510,562	8,554		
6	Other Cash Complimentarie	739,133	20,322		
7	Entertainment	46,988	1,412	3,600	450
8	Retail & Non-Cash Gifts	11,591	1,699	7,282	3,457
9	Parking				
10	Other *	10,864	280	174,217	1,325
11	Total	5,069,668	$ 65,671	229,702	$ 6,680

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2003

		Promotional Allowances		Promotional Expenses	
Line (a)	(b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	99,844	$ 4,382		$
2	Food	426,637	5,661		
3	Beverage	781,173	2,031		
4	Travel			16,081	498
5	Bus Program Cash	196,835	3,085		
6	Other Cash Complimentarie	209,957	6,910		
7	Entertainment	18,261	511	1,907	239
8	Retail & Non-Cash Gifts	8,170	786	2,906	1,067
9	Parking				
10	Other *	3,926	97	78,864	537
11	Total	1,744,803	$ 23,463	99,758	$ 2,341

* No item in this category exceeds 5%.

GNOC, Corp. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of presentation

The accompanying financial statements include the accounts of GNOC, Corp., a New Jersey corporation (the "Company"). The Company is a wholly owned subsidiary of Bally's Park Place, Inc., which owns and operates the casino hotel resort in Atlantic City, New Jersey known as Bally's Atlantic City ("Bally's Atlantic City"), which is a wholly owned subsidiary of Park Place Entertainment Corporation ("PPE"). The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as the "Atlantic City Hilton." The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The accompanying financial statements should be read in conjunction with the Casino Control Commission Quarterly Report for the year ended December 31, 2002.

All adjustments to these financial statements have been recorded and are, in the opinion of management, necessary for a fair presentation of the balance sheets for the Company at September 30, 2003 and 2002, and its statements of income for the three and nine months ended September 30, 2003 and 2002 and its statements of cash flows for the nine months ended September 30, 2003 and 2002. All such adjustments were of a normal recurring nature.

Seasonal factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations of the nine months ended September 30, 2003 and 2002 are not necessarily indicative of the results of operations for the full year.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the period. Actual results could differ from such estimates.

GNOC, Corp. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Revenue recognition and promotional allowances

Casino revenues represent the net revenue from gaming wins and losses. The revenues from hotel, food and beverage, and from theater ticket sales are recognized at the time the related services are performed. The statement of income reflects operating revenues including the retail value of complimentary services (also known as promotional allowances), which are deducted on a separate line to arrive at net revenues. Promotional allowances are provided to casino patrons without charge.

In the first quarter of 2001, the Emerging Issues Task Forces ("EITF") reached a consensus on certain issues in EITF 00-22 "Accounting for 'Points' and Certain Other Time-Based Sales Incentive Offers, and Offers for Free Products or Services to Be Delivered in the Future." EITF 00-22 requires that cash rebates or refunds as part of a customer loyalty program be shown as a reduction of revenues.

EITF 00-14 "Accounting for Certain Sales Incentives," which is effective January 1, 2002, focuses on the accounting for, and presentation of, discounts, coupons and rebates. EITF 00-14 requires that cash or equivalent amounts provided or returned to customers as part of a transaction should not be shown as an expense but should be an offset to the related revenue. The Company offers cash inducements and match-play coupons to customers to encourage visitation and play at the casino. The adoption of the standards resulted in an addition to promotional allowances (and a corresponding reduction in selling, general and administrative expenses) of $9,995 and $11,913, for the three months ended September 30, 2003 and 2002, respectively; and $28,876 and $32,463 for the nine months ended September 30, 2003 and 2002, respectively.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the weighted average cost method.

GNOC, Corp. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Property and equipment

Property and equipment are stated at cost. Depreciation is provided on the straight-line basis over the estimated economic lives of the related assets. Depreciation expense was $4,217 and $5,295 for the three months ended September 30, 2003 and 2002, respectively; and $13,632 and $15,964 for the nine months ended September 30, 2003 and 2002, respectively.

Asset class	Life
Buildings	40 years
Building improvements	3-10 years
Furniture, Fixtures and Equipment	3-10 years

Costs in excess of acquired assets

In 1987, Bally Entertainment Corporation (formerly the parent of the Company) acquired the Company, other related properties and real estate leases in a transaction which was accounted for as a purchase.

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). Under SFAS 142, goodwill and indefinite-lived intangible assets are no longer amortized but are reviewed at least annually for impairment. Separate intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives (but with no maximum life). Pursuant to SFAS 142, goodwill amortization ceased on January 1, 2002. Prior to the adoption of SFAS 142, the excess of the total acquisition cost and debt assumed over the fair value of net assets acquired (goodwill) had been amortized on the straight-line method over forty years.

Long-lived assets

In August 2001, the FASB issued Statement of Financial Accounting Standard No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 supercedes existing accounting literature dealing with impairment and disposal of long-lived assets, including discontinued operations. It addresses financial accounting and reporting for the impairment of long-lived assets, and for long-lived assets to be disposed of, and expands current reporting for discontinued operations to include disposals of a "component" of an entity that has been disposed of or is classified as held for sale. The Company was required to adopt SFAS 144 effective January 2002. Implementation of this standard did not have a material impact on the Company's financial statements.

GNOC, Corp. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Connection Card Program

During the 2nd quarter 2003, the Company, along with its PPE Atlantic City affiliates, implemented the Connection Card Program. The Connection Card Program allows players to earn credits that may be accumulated over time and redeemed at their discretion in accordance with the rules of the program at any PPE casino in the United States. The Company records an estimated liability for the incremental cost of providing goods and services under the program at the time the credits are earned.

Fair values of financial instruments

The fair values of the Company's financial instruments including receivables, payables and debt, approximate their recorded book values at September 30, 2003 and 2002.

Accounting Pronouncements

In November 2002, the FASB issued Interpretation No. ("FIN") 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of the Indebtedness of Others." FIN No. 45 elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of this Interpretation apply to guarantees issued or modified after December 31, 2002. Implementation of this Interpretation did not have a material impact on the Company's financial statements.

On January 17, 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities." FIN No. 46 addresses consolidation of entities that are not controllable through voting interest or in which the equity investors do not bear the residual economic risks and rewards. These entities have commonly been referred to as special purpose entities. The Interpretation provides guidance related to identifying variable interest entities and determining whether such entities should be consolidated. It also provides guidance related to the interest in newly consolidated variable interest entities and requires disclosures for both the primary beneficiary of a variable interest entity and other beneficiaries of the entity. The Company does not believe this provision will have a material impact on the Company's financial results.

Income taxes

Taxable income or loss of the Company is included in the consolidated Federal income tax return of PPE. The Company provides for income taxes by applying the respective state and federal statutory rates to pre-tax financial statement income. The corresponding liability or receivable is credited or charged to its corporate parent. Deferred income taxes and liabilities for temporary differences between the carrying amounts for financial reporting and income tax purposes, if any, are accounted for by PPE in accordance with the tax sharing agreement between PPE and the Company.

Recent tax legislation

The New Jersey State Legislature passed a bill to increase taxes on the New Jersey casino industry, beginning in the State's fiscal year 2004 (starting July 1, 2003). Included in this legislation is a tax on net profits, taxes on certain complimentaries, and increases in parking, rooms and other fees. Profits tax expense is reflected in the provision for income taxes. Other taxes are reflected in selling, general and administrative expenses.

Casino Reinvestment Development Authority

The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company has satisfied this investment obligation by (i) investing in qualified eligible direct investments, (ii) making qualified contributions or (iii) depositing funds with the Casino Reinvestment Development Authority ("CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have varying terms of up to fifty years and bear interest at below market rates. The Company records a charge to reflect the estimated realizable value of its CRDA investments.

Allocations and transactions with related parties

The Company transfers cash in excess of its operating needs to PPE on a daily basis. PPE provides the Company with cash advances for capital expenditures and working capital needs.

Certain executive, administrative and support operations of the Company and other PPE affiliates are consolidated, including limousine services, advertising, sales and marketing services, purchasing and other administrative departments. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. Management believes the methods used to allocate these costs are reasonable. In addition, the Company leases land from Bally's Atlantic City.

GNOC, Corp. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Advertising and Marketing Fee

Hilton Hotels Corporation charges the Company for certain hotel reservation services, and advertising and marketing support in accordance with the fees established for participation in the Hilton Honors Program, as well as a national and regional group advertising and sales promotions service fee equal to 1% of net room revenues.

NOTE 2 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of September 30 consist of the following:

	2003	2002
Casino receivables (net of allowance for doubtful accounts – 2003, $7,187; 2002, $6,548)	$ 4,839	$ 6,173
Other (net of allowance for doubtful accounts – 2003, $239; 2002, $196)	1,810	2,749
Due from affiliates	585	545
	$ 7,234	$ 9,467

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables consist of funds invested with the CRDA, net of related valuation reserves of $7,251 and $6,427 at September 30, 2003 and 2002, respectively.

The Company, Bally's Atlantic City and the CRDA entered into a credit exchange agreement and an investment agreement in 1998. The credit exchange agreement permits the exchange of certain current and future CRDA obligations between the Company and Bally's Atlantic City, resulting in a long-term payable to Bally's Atlantic City (See Note 9). The investment agreement provides an investment plan for the use of certain current and future CRDA funds. These agreements have accelerated the funding of credits due the Company under the aforementioned credit agreement.

GNOC, Corp. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of September 30 consist of the following:

	2003	2002
Land	$ 66,655	$ 66,655
Buildings and improvements	315,935	312,224
Furniture, fixtures and equipment	165,529	159,641
Construction in progress	2,955	3,771
	551,074	542,291
Less accumulated depreciation and amortization	(263,164)	(246,789)
	$ 287,910	$ 295,502

NOTE 5 - OTHER ASSETS

Other assets as of September 30 consist of the following:

	2003	2002
Cost in excess of acquired assets, less accumulated amortization of $44,637	$ 76,839	$ 76,839
Other	162	162
	$ 77,001	$ 77,001

NOTE 6 - OTHER ACCRUED EXPENSES

Other accrued expenses as of September 30 consist of the following:

	2003	2002
Accrued payroll and benefits	$13,428	$10,340
Insurance claims	2,591	5,253
Other	5,394	5,005
	$21,413	$20,598

GNOC, Corp. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 7 - OTHER CURRENT LIABILITIES

Other current liabilities as of September 30 consist of the following:

	2003	2002
Due to Bally's Atlantic City	$ 2,039	$ 1,746
Due to Caesars World Merchandising, Inc.	4,915	3,087
Due to affiliates-other	1,040	978
Unredeemed slot promotions liability	2,108	2,404
Unredeemed chip and token liability	582	905
Other	2,077	1,163
	$12,761	$10,283

NOTE 8 - LONG-TERM DEBT - DUE TO AFFILIATES

Long-term debt - due to affiliates as of September 30 consist of the following:

	2003	2002
9% Note payable to Park Place Finance Corporation due January 1, 2009	$200,000	$200,000

In January 1999, the Company declared a $200,000 distribution payable in the form of a note payable to Bally's Atlantic City. Bally's Atlantic City then immediately assigned the $200,000 note payable to PPE. On July 1, 2000, PPE assigned the $200,000 note payable to Park Place Finance Corporation. The note payable bears interest at a rate of 9% per annum, payable on the last business day of each quarter.

NOTE 9 - OTHER LIABILITIES

Other liabilities as of September 30 consist of the following:

	2003	2002
Due to PPE	$100,016	$123,287
Due to Bally's Atlantic City (See Note 3)	276	594
	$100,292	$123,881

Due to PPE consists of an unsecured, non-interest bearing intercompany account.

GNOC, Corp. (Atlantic City Hilton)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 10 - STOCKHOLDER'S EQUITY

At September 30, 2003 and 2002, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,510 were issued and outstanding.

NOTE 11 – CHARGES FROM AFFILIATES - MANAGEMENT FEE

The Company and PPE have entered into an administrative services and management agreement. Under the agreement, PPE provides certain services to the Company in the conduct of its business including, but not limited to operations, marketing, banking, accounting, insurance, tax, regulatory and public company reporting, human resource and benefit administration and other administrative functions. In consideration for these services, the Company pays PPE a monthly management fee equal to three percent of revenues, as defined.

NOTE 12 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) for the three months ended September 30 consists of the following:

	2003	2002
Interest income	$ 66	$ 76
Gain on disposal of equipment	1	28
	$ 67	$ 104

Nonoperating income (expense) for the nine months ended September 30 consists of the following:

	2003	2002
Interest income	$ 226	$ 242
Gain on disposal of equipment	10	60
	$ 236	$ 302

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

Signature

Assistant Vice President/Controller
Title

006243-11
License Number

On Behalf of:

GNOC, Corp. (Atlantic City Hilton)
Casino License